

## NEW JERSEY DIVISION OF TAXATION TECHNICAL BULLETIN

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**TB-37(R)**

**ISSUED: 2-3-06**

**TAX: CORPORATION BUSINESS TAX**

**TOPIC: TREATMENT OF MEALS AND ENTERTAINMENT EXPENSES  
ON FORM CBT-100S**

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A New Jersey S corporation is permitted to deduct 50% of meals and entertainment expenses not deductible for Federal purposes in computing the New Jersey S corporation income that is passed through to its shareholders. An entry should be made on Schedule K, Part II, Line 6(d) of Form CBT-100S to reflect the 50% of meals and entertainment expenses not deductible for Federal tax purposes.

In computing the New Jersey Corporation Business Tax for an S corporation, any meals and entertainment expenses that are not deductible for Federal purposes would not be deductible in computing New Jersey entire net income. However, the expenses that were not deductible would be reported on Schedule C, Line 5(c), of the CBT-100S as a block expense not deducted on the tax return being filed.

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For more information, contact the Division's Customer Service Center at 609-292-6400, email us at [taxation@tax.state.nj.us](mailto:taxation@tax.state.nj.us), or write to:

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Many State tax forms and publications are available by fax and through our Web site. Call NJ TaxFax at 609-826-4500 from your fax machine's phone, or access the Division's home page at: [www.state.nj.us/treasury/taxation/](http://www.state.nj.us/treasury/taxation/)

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